



Mr J A Smith
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MYTOWN
TESTSHIRE
AB1 2CD

Tax Reference 1234567890

Date 6 May 2012

Issued by
HM Revenue & Customs
100 Local Road
London
N2 3PQ

Phone 0845 123 4567

Dear Mr Smith

This is your annual tax and National Insurance statement for 2011-12. It shows you how much Income Tax and National Insurance you have paid for the tax year. You can find how we have calculated your tax code for the next year on your P2 Notice of Coding.

This is how we worked out your tax for 2011-12

Your gross pay was	£25,200.00
Other income	£0.00
Your 2011-12 personal allowance was	£7,475.00
Other deductible allowances	£0.00
You paid tax on	£17,725.00

Your tax was calculated as

Employment		
Basic rate earnings	£17,725 at 20%	£3,545.00
Higher rate earnings	40%	£0.00
Additional rate earnings	50%	£0.00
National Insurance contributions		£2,157.12
Total deductions		£5,702.12
Your take home pay was		£19,497.88

You earned £25,200.00

We know this from information supplied to us by your employer(s) and your last Self Assessment return (if applicable).

You took home £19,497.88

This is the amount of money you took home after Income Tax and National Insurance were deducted. For a list of indirect taxes that you pay, such as VAT and vehicle excise duty, please go to hmrc.gov.uk

Your tax £5,702.12

This is 22.63% of your earnings. Your tax bill is made up of your Income Tax and National Insurance. This statement covers the Income Tax and National Insurance you pay on your income only.

Tax calculator

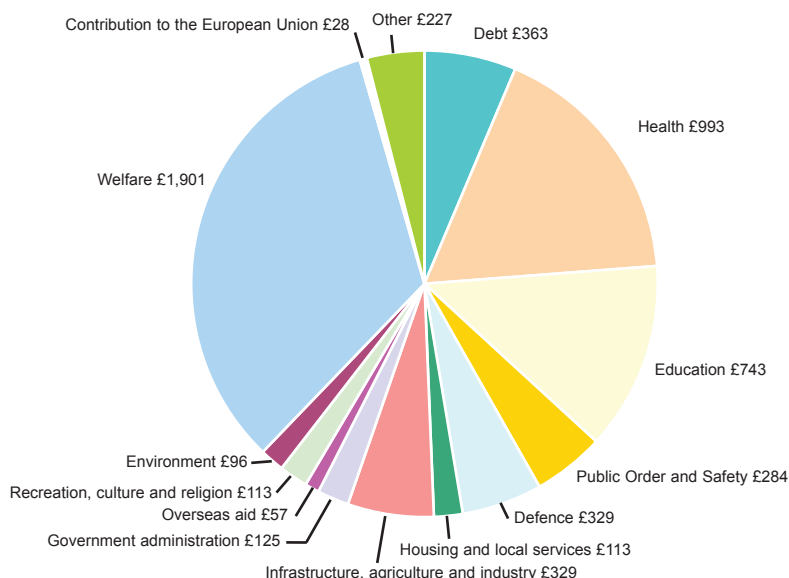
This is your annual tax statement. You can also use HMRC's Tax Calculator at any time to work out how much Income Tax and National Insurance you can expect to pay. The calculator is available as a phone app and at hmrc.gov.uk/taxcalculator

The table on the other side of this page indicates how your tax has been spent on public services.



HM TREASURY

This is how the Government spent your taxes





How your tax was spent in 2011-12

The table below indicates how the taxes you paid were spent in 2011-12. The calculations are based on how the Government allocated total tax revenues between different public spending priorities. The figures are intended as a guide to how taxes are spent and as an indication of your contribution to funding public services, not as a direct correlation between your Income Tax, National Insurance and any specific expenditure.

How your tax contributed to public spending priorities

	Your contribution
National debt interest	£363.12
Welfare	£1,900.71
Of which: Old age	£800.00
Of which: Sickness and disability	£346.10
Of which: Family and children	£238.30
Of which: Housing	£198.58
Of which: Unemployment	£56.74
Health	£992.91
Education	£743.26
Of which: Schools	£573.05
Of which: Universities	£107.80
Infrastructure, agriculture and industry	£329.08
Of which: Transport	£187.23
Defence	£329.08
Public order and safety	£283.69
Of which: Police	£153.19
Of which: Courts	£51.06
Of which: Prisons	£39.72
Of which: Fire service	£28.37
Government administration	£124.82
Housing and local services	£113.48
Recreation, culture and religion	£113.48
Environment	£96.45
Overseas aid	£56.74
Contribution to EU	£28.37
Other	£226.95
Total	£5,702.12

The proportions of spend above come from Chapter 5 of the PESA 2011 paper published by HM Treasury. More information is available at http://www.hm-treasury.gov.uk/pespub_pesa11.htm including definitions of the above public spending categories.